

1997-98 SESSION
COMMITTEE HEARING
RECORDS

Committee Name:

Joint Committee on
Finance
(JC-Fi)

Sample:

- Record of Comm. Proceedings
- 97hrAC-EdR_RCP_pt01a
- 97hrAC-EdR_RCP_pt01b
- 97hrAC-EdR_RCP_pt02

➤ Appointments ... Appt

➤

➤ Clearinghouse Rules ... CRule

➤

➤ Committee Hearings ... CH

➤

➤ Committee Reports ... CR

➤

➤ Executive Sessions ... ES

➤

➤ Hearing Records ... HR

➤

➤ Miscellaneous ... Misc

➤ 97hr_JC-Fi_Misc_pt03l_DPR

➤ Record of Comm. Proceedings ... RCP

➤

Joint Finance

16.505 / 16.515

14 Day Passive
Reviews

12/23/96 to

2/18/97

Commerce 12/30/96

STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

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BEN BRANCEL

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JOINT COMMITTEE ON FINANCE

December 30, 1996

Secretary Mark Bugher
Department of Administration
101 East Wilson, 10th Floor
Madison, WI 53703

Dear Secretary Bugher:

We are writing to inform you that the members of the Joint Committee on Finance have reviewed former Secretary Klauser's December 9, 1996 request, pursuant to s. 16.515/16.505(2), Stats., regarding the extension of an existing 0.5 FTE project position and the creation of an additional 0.5 FTE project position at the Department of Commerce.

No objections have been raised concerning this request. Accordingly, the request is approved.

Sincerely,

Handwritten signature of Brian Burke in black ink.

BRIAN BURKE
Senate Chair

Handwritten signature of Ben Brancel in black ink.

BEN BRANCEL
Assembly Chair

BB:BB:jc

cc: Members, Joint Committee on Finance
Secretary William McCoshen, Department of Commerce
Linda Nelson, DOA

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JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Brian Burke
Representative Ben Brancel
Co-Chairs, Joint Committee on Finance

Date: December 10, 1996

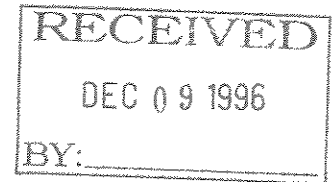
Re: s. 16.515/16.505 Request

Attached is a copy of a request from the Department of Administration dated December 9, 1996, pursuant to s. 16.515/16.505(2) pertaining to a request from the Department of Commerce for the extension of an existing 0.5 FTE project position and for the creation of an additional 0.5 FTE project position.

Please review this item and notify **Senator Burke** or **Representative Brancel** no later than **Monday, December 30, 1996**, if you have any concerns about the request or would like the Committee to meet formally to consider it.

Also, please contact us if you need further information.

BB:BB;jc

CORRESPONDENCE\MEMORANDUMSTATE OF WISCONSIN
Department of Administration**Date:** December 9, 1996**To:** The Honorable Brian Burke, Co-Chair
Joint Committee on FinanceThe Honorable Ben Brancel, Co-Chair
Joint Committee on Finance**From:** James R. Klauser, Secretary
Department of Administration

A handwritten signature in black ink, appearing to read "James R. Klauser".

Subject: S. 16.515/16.505(2) Requests

Enclosed are requests which have been approved by this department under the authority granted in s. 16.515 and s. 16.505(2). The explanation for each request is included in the attached materials. Listed below is a summary of each item:

<u>AGENCY</u>	<u>DESCRIPTION</u>	<u>1995-96</u> <u>AMOUNT</u>	<u>FTE</u>	<u>1996-97</u> <u>AMOUNT</u>	<u>FTE</u>
COMMERCE 20.143(1)(k)	Sale of Materials or Service				1.00*

*0.5 FTE project position included

As provided in s. 16.515, this request will be approved on December 31, 1996, unless we are notified prior to that time that the Joint Committee on Finance wishes to meet in formal session about this request.

Please contact Linda Nelson at 266-3330, or the analyst who reviewed the request in the Division of Executive Budget and Finance, if you have any additional questions.


Attachments

CORRESPONDENCE/MEMORANDUM

STATE OF WISCONSIN
Department of Administration

Date: December 5, 1996

To: James R. Klauser
Secretary

From: Jacqueline Jugenheimer
Budget and Policy Analyst 

Subject: Section 16.505/16.515 Request from the Department of Commerce for the Extension of 0.5 FTE and the Creation of 0.5 FTE Jobs Specialist Project Positions.

Request

The Department of Commerce (Commerce) requests the extension of 0.5 FTE PRO project positions from January 1, 1997 to November 18, 1998, the creation an additional 0.5 FTE PRO project position in s. 20.143 (1) (k) (Sale of Materials or Service) from January 1, 1997 to December 31, 1997, and spending authority of \$25,100 in FY97 and \$37,700 PRS in FY98.

Revenue Sources for Appropriation s. 20.143 (1)(k):

All moneys received from the department or other agencies for providing materials and services. Specific revenues for this program are federal Temporary Assistance for Needy Families Act moneys from the Department of Workforce Development (Welfare Reform Block Grant).

Background

Since June of 1993 the department has received funding from the Division of Economic Support (DES) in the Department of Health and Social Services, now in the Department of Workforce Development (DWD), to fund a job specialist for the "Job Creation in Enterprise Zones" program. The focus of the program is to increase the number of target group members hired by employers in community development zones (CDZs) and enterprise development zones (EDZs).

The jobs specialist does not actually place workers, but s/he is a resource to employers. Employment and training services providers, such as job services, private industry councils, sheltered workshops, women's and minority business groups, the Division of Vocational Rehabilitation, and JOBS programs are trying to place clients. Usually several different providers serve individual CDZs and EDZs. The jobs specialist helps employers to understand the different incentives offered by the employment and training providers, and thus helps businesses to find the appropriate agencies and employees. The jobs specialist also provides assistance on the use of the job credit and the formalities involved in successfully claiming the credit. Furthermore, the jobs specialist also is a resource to employment and training services, as s/he knows which employers are hiring staff.

The CDZ program has been expanded significantly from when it was first created and the EDZ program has expanded dramatically in the short time since its creation. At the end of FY91 50 businesses were certified and had hired 420 members of target groups. By

September 1, 1996, 271 businesses were certified and 2,982 members of target groups hired, a 610% increase in target member hires.

Analysis

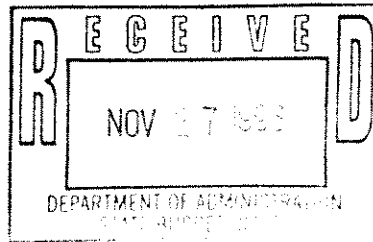
DWD/DES is cooperating with Commerce in providing financial resources to assist businesses in hiring members of target groups. Currently, the department has 1.0 FTE job specialist position and funding for an LTE. However, the LTE hours expired at the end of November. As the number of certified businesses in CDZs and EDZs is increasing, the workload of the jobs specialist is also increasing. Currently, the jobs specialist and the LTE are serving about 200 businesses. The department would provide a 50 percent match for both positions from an existing 0.5 FTE GPR position and LTE funding. In its 1997-99 budget request, the department also requested a 1.0 FTE GPR jobs specialist position to support this function.

Since federal funds are and will be available for this purpose, the 0.5 FTE PRO position should be converted to permanent status instead of extending it for 23 months. The need for the activity will continue and most likely increase, as the Wisconsin Works program goes into effect and individuals need to be placed into jobs. In addition, extending the requested project position from one year to three years would coincide with the projected fulfillment of the 50 EDZs authorized by the Legislature in 1995 Act 27.

	<u>FY98</u>		<u>FY99</u>	
	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>
Commerce Proposal	\$37,700	1.0	\$6,300	0.5
Modification	\$12,500	0.5	\$43,900	0.5
Recommendation	\$50,200	1.0	\$50,200	1.0

Recommendation

Approve the modified request. This request will help continue a successful program that assists individuals on public assistance to find employment.



CC DS
SS

To: James R. Klauser, Secretary
Department of Administration

From: William J. McCoshen, Secretary *WJM*
Department of Commerce

Re: S. 16.505/515 Request

Date: November 26, 1996

REQUEST

The Department of Commerce requests the extension of an existing 0.5 FTE project position and the creation of a new 0.5 FTE project position in the s. 20.143 (1) (k) program revenue -- service appropriation. The extension would cover the period from January 1, 1997 to September 30, 1998. The new position would be for the period from January 1 1997, to December 31, 1997. Both positions would be Community Services Specialist 2 positions which perform the duties of Jobs Specialists, under the terms of a contract with the Department of Workforce Development. Funding for the positions will come from the Department of Workforce Development, whose funding source is federal Community Services Block Grant and Family Support Act Funds. The Department requests spending authority of \$25,100 PRS in FY97, \$37,700 PRS in FY98, and \$6,300 PRS in FY99.

BACKGROUND

In June of 1993, the Department began implementing its "Job Creation in Enterprise Zones" program. The objective of the program was to increase the employment of members of target groups in state-designated Community Development Zones. The program was initially funded through a contract with United Migrant Opportunity Services, which had received a grant from the U.S. Department of Health and Human Services. The contract with UMOS supplied the Department with funding for a 1.0 FTE project position. When the UMOS contract ended on September 30, 1994, the Department entered into a contract with the Wisconsin Department of Health and Social Services which supplied the Department with funding for a 0.5 FTE project

position funded through program revenue-service. The current request is for the extension of this 0.5 FTE project position, which was originally authorized on 11/18/94, and for one additional 0.5 FTE position.

The community development zones program was initially authorized in 1987 Wisconsin Act 328. The legislation authorized eight zones and \$14 million in available tax credits. It was intended to stimulate economic activity in distressed areas. In 1990 four more zones and \$4.155 million in tax credits were added. 1993 Wisconsin Act 16 then increased the limits to fourteen zones and \$21.155 million in tax credits. Most recently, 1995 Wisconsin Act 209 increased the number of zones to eighteen and the amount of available tax credits to \$28.155 million.

The enterprise development zones program was authorized in 1995 Wisconsin Act 26⁷. The legislation authorized a total of fifty zones with a maximum of \$3 million in tax credits for each zone. These zones are site-specific and apply to only one corporation each. The program is targeted at areas of high distress.

Eighteen community development zones and fifteen enterprise development zones currently exist. New EDZs are being designated on a regular basis.

The Department expects the program to continue to grow over the next several years. Four CDZs and an undetermined number of EDZs will be designated this fiscal year. The Bureau expects to certify 90 CDZ businesses this year, 100 next year, and 100 the year after that. The Bureau expects to designate all 50 authorized EDZs by the end of 1999. This will increase the number of tax credit verifications (which must be done every year), and the number of jobs available for target group workers.

COMMUNITY DEVELOPMENT ZONE PROGRAM GROWTH

Period ending:	6/30/91	6/30/92	6/30/93	6/30/94	12/31/95	4/30/96	9/1/96
Number of zones	12	12	12	12	14	14	14
Certified businesses	50	96	133	157	210	250	271
Jobs to be created	1200	1600	2300	3100	4123	4681	4760
Target group hires	420	870	1300	1900	2647	2699	2982
Investment (in millions)	\$55	\$92	\$111	\$120	\$160	\$173	\$189
Credits allocated (in millions)	\$4.4	\$7.5	\$9.5	\$10.9	\$13.9	\$15.3	\$16.1

The focus of the jobs specialist is on increasing the number of target group members hired by certified community development zone employers and certified enterprise development zone employers. In all zones but Milwaukee, 50% of allocated credits must be claimed as jobs credits. In Milwaukee, the requirement is 65%. 273 businesses are currently certified, and the specialist has actively worked with 200 of them in the past year.

The specialist does not actually place workers with employers; instead, he acts as a resource person and a facilitator. His job is to make it easier for employers to work with the thousands of employment and training service providers throughout the state. These E & T providers have caseloads of people who they try to place in jobs. Examples of E & T service providers are: Job Service, private industry councils, the Division of Vocational Rehabilitation, sheltered workshops, JOBS programs, and women's and minority business groups. The E & T providers' clients tend to be target group members. Each development zone has at least seven to eight of these providers; Milwaukee has hundreds, with overlapping service territories and target populations. Each provider offers different financial and training assistance and incentives.

The specialist educates employers about what the E & T providers can offer. He thus has to be knowledgeable about each E & T provider's program and what it can offer. Each program is administered locally, and offers different incentives to employers to hire its clients. For instance, most programs offer wage supplementation, but at different amounts and for different time periods. Many programs also offer training assistance, but the scope and the character of the training differ widely. It is the specialist's job to know these programs and what they offer, so that he can "sell" their services to employers. He must also be very knowledgeable about the development zones jobs and resident credits, so that he can give technical assistance and advice to certified businesses.

The specialist is also a resource for the E & T providers. Through a variety of means, he keeps abreast of which employers are hiring and the skills that they are seeking, and notifies E & T providers, so that they can attempt to place their clients. Each year the specialist holds a meeting for all E & T providers in each development zone. He tells them who the certified businesses are, what kind of people they employ or are looking for, and gives them contact information.

The Department is required by the terms of the contract to match the grant with state funding. This match will be satisfied by the Department's 0.50 FTE GPR jobs specialist and by an LTE development zone specialist. The funding for the project positions and the GPR match is shown below.

Funding for Fiscal Year 1997

Expenditure	Grant Funding	GPR Match
Salary	\$15,423	\$15,423
Fringe Benefits	\$5,754	\$5,754
Indirect	\$3942	\$3942

Funding for Fiscal Year 1998

Expenditure	Grant Funding	GPR Match
Salary	\$23,134	\$23,134
Fringe Benefits	\$8,631	\$8,631
Indirect	\$5,913	\$5,913

Funding for Fiscal Year 1999

Expenditure	Grant Funding	GPR Match
Salary	\$3,855	\$3,855
Fringe Benefits	\$1,439	\$1,439
Indirect	\$986	\$986